

VZCZCXRO1921  
OO RUEHDE RUEHFK RUEHKSO RUEHNH  
DE RUEHKO #6994/01 3490748  
ZNY CCCCC ZZH  
O 150748Z DEC 06 ZDK  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9111  
INFO RUEHGB/AMEMBASSY BAGHDAD 0181  
RUEHBJ/AMEMBASSY BEIJING 5191  
RUEHBY/AMEMBASSY CANBERRA 1925  
RUEHKA/AMEMBASSY DHAKA 0651  
RUEHIL/AMEMBASSY ISLAMABAD 1935  
RUEHBUL/AMEMBASSY KABUL 0405  
RUEHMO/AMEMBASSY MOSCOW 1419  
RUEHNE/AMEMBASSY NEW DELHI 8214  
RUEHFR/AMEMBASSY PARIS 5169  
RUEHGO/AMEMBASSY RANGOON 2197  
RUEHRH/AMEMBASSY RIYADH 0452  
RUEHUL/AMEMBASSY SEOUL 1285  
RUEHTV/AMEMBASSY TEL AVIV 0631  
RUEHDE/AMCONSUL DUBAI 0035  
RUEHFK/AMCONSUL FUKUOKA 9180  
RHMFISS/USCENTCOM MACDILL AFB FL  
RUEKJCS/SECDEF WASHDC  
RUEHGV/USMISSION GENEVA 2974  
RHMFISS/COMUSJAPAN YOKOTA AB JA  
RUCNDT/USMISSION USUN NEW YORK 2762  
RHHMUNA/HQ USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 06 TOKYO 006994

SIPDIS

SIPDIS

DEPT PASS USTR FOR AUSTR CUTLER  
PARIS FOR USOECG  
GENEVA ALSO FOR USTR  
DOD FOR OSD/ISA - LAWLESS/HILL/BASALLA  
COMUSJAPAN FOR J00/J01/J5

E.O. 12958: DECL: 12/15/2026

TAGS: [MARR](#) [PREL](#) [ECON](#) [PGOV](#) [JA](#) [BM](#) [IZ](#) [KS](#) [RS](#) [AF](#) [IR](#)

UNSC, AMGT

SUBJECT: AMBASSADOR'S DECEMBER 14 LUNCH WITH VICE FOREIGN  
MINISTER YACHI

REF: A. STATE 197809

[B.](#) STATE 197807

TOKYO 00006994 001.2 OF 006

Classified By: Ambassador J. Thomas Schieffer.

Reason: 1.4 (b, d)

[11.](#) (C) Summary: During a lunch conversation on December 14, Japanese Vice Foreign Minister Shotaro Yachi and the Ambassador covered a wide range of issues including:

-- the U.S.-Japan security relationship ("2 Plus 2" Talks, DPRI);  
-- Iraq;  
-- economic issues (sub-Cabinet meetings, "triangular mergers," beef);  
-- the Embassy property issue;  
-- issues related to Burma, Iran and Afghanistan;  
-- Japan's relations with South Korea and Russia;  
-- Foreign Minister Aso's November 30 Policy Speech;  
-- the election of the new head of the International Energy Agency.

Yachi's comments related to the visit of the

Indian Prime Minister to Japan have been reported  
septel. End summary.

U.S.-Japan Relations (General)

---

¶2. (C) Meeting with the Ambassador over lunch on December 14, Vice Foreign Minister Yachi said the Japanese were very happy with the results of the meeting in Hanoi between President Bush and Prime Minister Abe. In particular, the meeting had reaffirmed the importance of the U.S.-Japan security alliance, acceleration of cooperation on ballistic missile defense, and the common position on North Korea. The Ambassador noted that the President had also been very pleased by his meeting with the Prime Minister and was looking forward to seeing Abe in Washington in May.

Security Relationship

---

¶3. (C) The May summit meeting in Washington should have three main components, Yachi indicated. These are the security alliance, intelligence cooperation, and the future of the economic relationship. With respect to security issues, Yachi noted that Japan is eager to hold another "2 Plus 2" meeting with the United States but that timing was a problem. Although Japan would like to accommodate the U.S. suggestion to hold the meeting in the late February-early March timeframe, the fact that the Diet would be in

TOKYO 00006994 002.2 OF 006

session at that time would complicate arranging the meeting. The Ambassador noted that arrangements on the U.S. side were also difficult because the GOJ-proposed date of January 13 was problematic for the United States. The Ambassador indicated that a slightly earlier date, January 11 or 12, might be a possibility. According to Yachi, Japan wanted the "2 Plus 2" meeting, when it took place, to issue strong messages both on ballistic missile defense cooperation and on strengthening the U.S.-Japan alliance.

¶4. (C) Yachi reconfirmed that the legislation required as part of the Defense Posture Realignment Initiative (DPRI) would go to the Diet in the session opening in January. According to Yachi, the relevant government agencies as well as Diet members in the ruling coalition had discussed the submission of the bills on December 13. These included the bills to create a subsidy system for localities affected by the realignment, as well as authorization for the Japan Bank for International Cooperation (JBIC) to finance projects to support the transfer of U.S. forces to Guam.

Iraq

---

¶5. (C) Yachi expressed his thanks for U.S. cooperation in assisting the move of the Japanese Embassy in Baghdad into the Green Zone. He added that the Japanese Government had prepared a complementary (sic) budget request for \$100 million in grant assistance to Iraq to cover areas such as "basic human needs," "DDR" (militia Demobilization, Disarmament, and Reconciliation), and border control. This request, Yachi noted,

still required approval by the Diet in the upcoming regular session. He also said that Japan hoped for an early convening of a meeting on the Iraq Compact.

¶6. (C) In response to a question from Yachi regarding the U.S. administration's response to the Iraq Study Group report, the Ambassador said that the President was deeply engaged on this question and had postponed a major speech on Iraq from December to January in order to continue his consultations. Incoming Secretary Gates might also visit Iraq following his swearing in on December 18. The Ambassador stressed that even though the war had become unpopular in the United States, the President remains more dedicated than ever to a successful outcome. The Iraq Study Group report, the Ambassador noted, had brought home to many Americans the fact that Iraq is part

TOKYO 00006994 003.2 OF 006

of a much larger problem in the Middle East. More people now realize that there is no easy solution.

¶7. (C) Yachi raised the question of the expiry of the law authorizing the deployment of Air Self-Defense Force units to Iraq and laid out two possible choices for the Japanese Government. One would be to submit a general law that would authorize all such deployments, while the other alternative would be simply to extend the current special legislation. The latter alternative, Yachi observed, was probably the more realistic as the special legislation would have a one or two-year expiry date that would make it less controversial. Nevertheless, the fact that the extension of the authorizing legislation would necessarily come near the time of the summer's Upper House election will mean that the opposition parties will focus on it, Yachi said. Yachi, however, stressed that Japan needed to continue its operation in Iraq. The Ambassador indicated that Japan's efforts were greatly appreciated as it was a tough time for the United States and expressed the hope that Japan's operations in Iraq would continue.

#### U.S.-Japan Economic Relations

---

¶8. (C) Yachi characterized the December 6-7 U.S.-Japan sub-Cabinet economic meetings as a useful exchange of views and noted that these exchanges would continue in the lead up to the visit by Prime Minister Abe to the United States in May. The Ambassador stressed that the planned summit in May needed a clear economic component.

¶9. (C) Confessing that he really did not understand the topic, Yachi acknowledged U.S. concerns regarding "triangular mergers". The Ambassador emphasized that this was an important issue that went to the heart of increasing foreign direct investment into Japan. Yachi asked whether the Ambassador believed that the concerns underpinning the opposition of the Japan Business Federation (Keidanren) to the triangular merger mechanism were justified. The Ambassador indicated that, in his view, the source of Keidanren's opposition lay fundamentally in a desire by corporate management to protect itself. The United States, he noted, had seen similar behavior by corporate managers, which had changed only when shareholders had become more active and engaged in protecting their investments in the

companies concerned.

Beef

----

TOKYO 00006994 004.2 OF 006

¶10. (C) The Ambassador asked Yachi what the prospects were for the beef from cattle up to 30 months of age to be allowed into Japan. Yachi responded that the upcoming decision by the OIE, the international animal health organization, which will establish an international standard with respect to animal age and the possibility of BSE, should move the issue forward in Japan. Having an international consensus on the issue would help significantly in garnering acceptance in Japan regarding U.S. beef from cattle up to 30 months, Yachi believed.

Embassy Property Issue

¶11. (SBU) Yachi expressed appreciation for U.S. efforts to resolve issues related to the Embassy Chancery property and reaffirmed MOFA's desire to cooperate with the Embassy in this regard. The Ambassador agreed that there had been some good movement on the issues in the most recent meeting and added that the U.S. side would endeavor to respond to the Japanese side's latest proposal by December 22. The Ambassador noted that, although the problem was not yet solved, it had moved closer to a solution.

Burma

----

¶12. (C) The Ambassador raised U.S. concerns about Burma and the pending UN Security Council resolution (ref A), noting that the change in the composition of the Security Council could make getting a resolution on Burma more difficult. Yachi replied that Deputy Foreign Minister Yabunaka had recently traveled to Bangladesh, where he had met with the Bangladeshi foreign minister, who, according to Yachi, has close ties to the Burmese leadership. Yachi said that Yabunaka had told the Bangladeshi foreign minister Japan wanted to see power transferred to civilian leadership in Burma on a definite timetable. According to Yachi, the Bangladeshi foreign minister had responded that the timing was not good for such a request by Japan. (Yachi did not provide a reason for the Bangladeshi reaction.) Yachi indicated that the Japanese message contrasted Burma with Thailand where the military had promised to return the country to civilian rule within a year. Foreign Minister Aso had also called in the Burmese Ambassador to Japan to convey this view of the Japanese Government. The Burmese Ambassador had only responded that he would pass the Japanese message back to Rangoon.

TOKYO 00006994 005.2 OF 006

Iran

----

¶13. (C) According to Yachi, Japan would like the draft UN Security Council Resolution proposed by the UK and France (ref B) to be adopted unanimously as soon as possible. He noted that

Japan had made a demarche to Russia asking for support for the resolution.

Afghanistan

¶14. (C) Yachi said that the Japanese would like to conclude a contract for the Kandahar-Herat Road project within a month and restart construction as early as possible. He was uncertain of the length of road to be covered by the contract.

Russia

¶15. (C) Yachi said he planned to travel to Russia toward the end of January to initiate a strategic dialogue with that country. The discussion, he added, would include the status of the "Northern Territories" (the islands off Hokkaido occupied by Russia since the end of the Second World War). According to Yachi, now is a good time for Japan to begin this dialogue because President Putin is a strong leader and will likely remain influential even after he eventually leaves office. In addition, both Prime Minister Abe and Foreign Minister Aso have solid conservative credentials in Japanese political circles, a fact that might give them leeway to make progress on the Northern Territories issue, which is highly sensitive for Japanese nationalists.

FM Aso's November 30 "Arc of Freedom" Speech

¶16. (C) Yachi briefly mentioned Foreign Minister Aso's recent speech on the "arc of freedom and prosperity." The Ambassador noted that the speech had been well received in Washington and that the Secretary had been briefed on its contents. Yachi noted that Aso planned in January to visit Romania, Bulgaria, and possibly Hungary -- countries to which no Japanese foreign minister had traveled for a long time -- in part to substantiate the content of the November 30 speech.

South Korea

TOKYO 00006994 006.2 OF 006

¶17. (C) Yachi expressed frustration that, even though Japan's relations with China had improved significantly, ties with South Korea remained problematic. Although the South Korean ambassador in Tokyo was relatively easy to work with, the same could not be said either of the Blue House or the new South Korean foreign minister, Yachi lamented. Both the Ambassador and Yachi praised former Foreign Minister Ban Ki Moon and welcomed his selection as UN Secretary-General. Yachi said that Ban had indicated that he would show consideration to Japanese in the hiring of senior United Nations officials. The Ambassador also stressed that Ban, in his new position, was even better placed to assist Japan on the issue of Japanese citizens abducted by North Korea.

Meeting with Families of Abductees

¶18. (C) Yachi thanked the Ambassador for

attending a reception the previous evening held by Chief Cabinet Secretary Shiozaki at which a number of family members of Japanese abducted by North Korean agents had attended. Yachi noted that the people of Niigata Prefecture, the site of several abductions, were particularly appreciative of the concern and sympathy the Ambassador had shown on the abduction issue. The Ambassador said meeting with the abductee families had had a profound and moving effect both on himself and on President Bush.

International Energy Agency Election

---

¶19. (C) Yachi expressed appreciation for the support of the United States in the election of Nobuo Tanaka to lead the International Energy Agency.

SCHIEFFER